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# **The British Labor Party: Caught Between Ideology and Reality**

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An Intelligence Assessment

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May 1983

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# The British Labor Party: Caught Between Ideology and Reality

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An Intelligence Assessment

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queries are welcome and may be directed to the Chief,  
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**Key Judgments**

*Information available  
as of 17 May 1983  
was used in this report.*

The British Labor Party entered the campaign for the election on 9 June in greater disarray than at any time in the past 60 years. Leftists and moderates have muted their dispute in public, but intraparty differences over procedures and policy remain near the surface and could break into view at any time.

Labor moderates have recovered some of their losses to the left in the party's national level organizations. We believe the party's long-term swing to the left has not been arrested, however, because the left continues to make inroads into local party organizations and Labor's parliamentary delegation. Indeed, these trends are such that any increase in Labor's parliamentary representation after the election will almost certainly mean a more leftwing parliamentary party.

The shift to the left is apparent in such radical policy prescriptions as withdrawal from the European Community, cancellation of the Trident submarine program, phasing out of the Polaris missile force, closure of US bases in the United Kingdom, opposition to INF deployment, and trade protectionism. Party moderates will try to tone down these policies which, in calling for a more insular policy at home and abroad, could in our view bring Britain more frequently into conflict with its allies.

We believe that the most likely prospect is for Labor to be returned to opposition. It suffers from internal divisions and is running on an electoral program that the polls show evokes little enthusiasm. In opposition, Labor would indulge in intraparty strife, with moderates and leftwingers blaming each other for defeat. Experience shows that the left—because it tends to be more active at the grass-roots level—has a better chance of gaining control of policies when Labor spends an extended period out of power. Growing leftist influence in turn could cause many moderate Laborites to defect to the Social Democratic-Liberal Alliance. Even if Labor held together, we believe the left would acquire a predominant voice, given rules changes that are pushing the parliamentary delegation in that direction. In opposition, Labor could benefit from being the major focus for those dissatisfied with the government's policies, and leftists would count on this to bring them to power eventually.

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May 1983

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In our judgment, the second most likely outcome for Labor—although prospects appear weak—is to lead a minority government. Labor might be able to emerge as the strongest single party in Parliament if the Social Democratic–Liberal Alliance, now in a slump, regains momentum and captures Tory seats. A Labor minority government would attempt to enact the party's domestic program, but moderates would be in a strong position to delay action on contentious foreign and defense policy planks, such as ending the Polaris program or closing US bases.

Labor cooperation with the Alliance would be difficult but not impossible to arrange. Labor moderates probably would see cooperation with the Alliance as a way to fend off leftwing programs and perhaps to co-opt the Social Democrats back into a Labor Party dominated by moderates. Trade union insistence that Labor make a deal to keep the Conservatives out of power could be a spur to a Labor-Alliance combination.

Such a government probably would steer a moderate course at home and preserve most of Britain's international commitments. We believe it could cancel Trident, however, and the fate of INF would be problematic, given the strong opposition to it in Liberal ranks. A Labor-Alliance combination would be uneasy, in any case, because Laborites would feud over how far to accommodate Alliance policy views, and Labor leaders would look for a way to achieve a majority at Alliance expense.

We believe that the least likely prospect for Labor is to win an absolute majority, even though the vagaries of the British electoral system overrepresent Labor's strength and the continuing recession highlights problems that the party has exploited with great success in the past. If the unlikely event comes to pass, however, leftwingers would see it as an endorsement of their domestic and foreign policies and would insist on rapid implementation of Labor's program. The moderates, for their part, would try to delay policies such as unilateral nuclear disarmament by focusing party efforts on domestic programs. Despite these efforts, however, a majority government headed by Labor would pose the most serious threat to US interests.

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## The British Labor Party: Caught Between Ideology and Reality

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### Labor's Continuing Intraparty Conflict

Throughout its 60-year history as the major alternative to the Conservatives, the Labor Party has been plagued by divisions between social democrats, usually allied with the trade unions, and more ideological socialists. The divisions grew sharper following Labor's election defeat in 1979 and continue to trouble the party as it prepares for the general election on 9 June.

At party conferences in 1979 and 1980, leftists won rules changes that greatly enhanced the power of local parties and trade unions to choose the party leader. The new rules also provided for the renomination of Members of Parliament (MPs) and the selection of candidates by local branches, which are often leftist controlled.<sup>1</sup> Moderates—particularly those controlling large unions—fought back at the 1981 and 1982 conferences. They were able to win a solid majority on the National Executive Committee, the body that plays a major role in formulating policy between conferences. They have also attempted to expel extreme leftists from the party and to reduce the power of leftwing spokesman Tony Benn and his allies in Labor's leadership councils.

Labor's moderates have so far failed, however, to stem growing leftwing control of local organizations. A continuing decline in the number of party members (now down to 276,692, according to a party report, and the lowest figure since 1929) has permitted an activist minority to take over moribund local branches. Because party rules give the activist minority greater power than they had before, the left is in a position eventually to take control of Labor's parliamentary delegation. A number of local bodies have successfully defied national orders to expel extreme

leftwingers (notably the Trotskyite "Militant Tendency") and have insisted on selecting parliamentary candidates opposed by party leader Michael Foot.

In our view, moderates have given up trying to regain control of local organizations and instead are trying to circumvent them by rules changes that are of vital significance for the party's future. Although many of the changes proposed run afoul of important entrenched interests in the party, some probably will appeal to grass-roots Labor supporters. For example, in December, the moderate-dominated National Executive Committee proposed changes that would lessen the voice of local parties in the Committee itself—a change the left was able to delay. Last year some moderates proposed a radical break with precedent by advocating that the mass of Labor voters be allowed to determine policy, leadership, and eventually candidates for Parliament in primary-style elections. Action on this proposal was also put off until after the general election.

In our view, moderates will find it difficult to bring about the changes they want. Even moderate trade union leaders, whose bloc votes give them unique power to shape party policy and leadership, will be reluctant to accept rules changes that would dramatically lessen their power. In alliance with leftwing local activists, they will be in a strong position to block any changes they find unpalatable.

Even if moderates are able to find ways to circumvent the power of local party branches, the party probably will continue to drift to the left because the number of leftwing parliamentary candidates replacing moderates as they retire or fail of renomination is increasing. *The Sunday Times* reported earlier this year, for example, that self-identified leftwingers will probably

<sup>1</sup> According to the new rules the Labor Party leader and deputy leader are elected by an electoral college in which 40 percent of the votes are held by the trade unions that are affiliated with the party, 30 percent by the parliamentary party, and 30 percent by local organizations. Thus far, moderates have been able to get support only for a change that would give MPs 50 percent of the votes. In the past the leader was elected solely by the MPs and was in large measure insulated from activist pressure.

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### **Tony Benn**

*Benn (57) is the most prominent spokesman for Labor's "hard left," the faction in the party that has taken the lead in pushing through rules changes favoring the left. Despite some health problems, Benn continues to have ambitions to become Labor leader. Many Laborites, however, have told US officials that his high water mark was reached when he narrowly lost the deputy leadership contest with Healey at the 1981 party conference and that some other figure is likely to emerge as the left's standard bearer. Benn's power on the National Executive Committee has eroded since 1981, and he has not been elected to the Shadow Cabinet by his fellow MPs. He remains a charismatic speaker and retains a strong personal following and power base in local Labor organizations. His presence arouses enthusiasm but also frightens many voters, and his role has been played down in recent byelections. Labor leftwingers are divided over the extent to which their cause should be tied to Benn's ambitions, but he remains confident that trends in both the Labor Party and British politics are working for him. Benn's influence has not been strong in previous Labor governments because he has not enjoyed great respect among his Cabinet colleagues. He will press hard for implementation of the party platform.*

increase their strength in the parliamentary delegation from 31 percent to over 44 percent, even if Labor does no more than maintain its present parliamentary strength of 237.<sup>2</sup>

Trade union bosses have told Labor Party leaders that they want internal questions kept on the backburner, and they have threatened to cut off financial support that the party desperately needs if their demands are not met. The struggle within the National Executive Committee will continue, however, as moderates and leftists "interpret" rules and vie for the upper hand. Although disputes could break into the open at any time, it is likely that a preelection truce—demanded by the unions—will provide an appearance of harmony.

### **The Primacy of the Trade Unions**

The trade unions affiliated with the Labor Party have, through the Trades Union Congress (TUC), been the party's pillar of support for 80 years. Although the unions are themselves in trouble today, their support is more essential than ever for Labor because of declining party membership and funds. Party rules changes, meanwhile, have given unions greater power to influence Labor's leadership and policy. As one British newspaper stated, Labor is "now more in hock to the unions than at any time in its history."

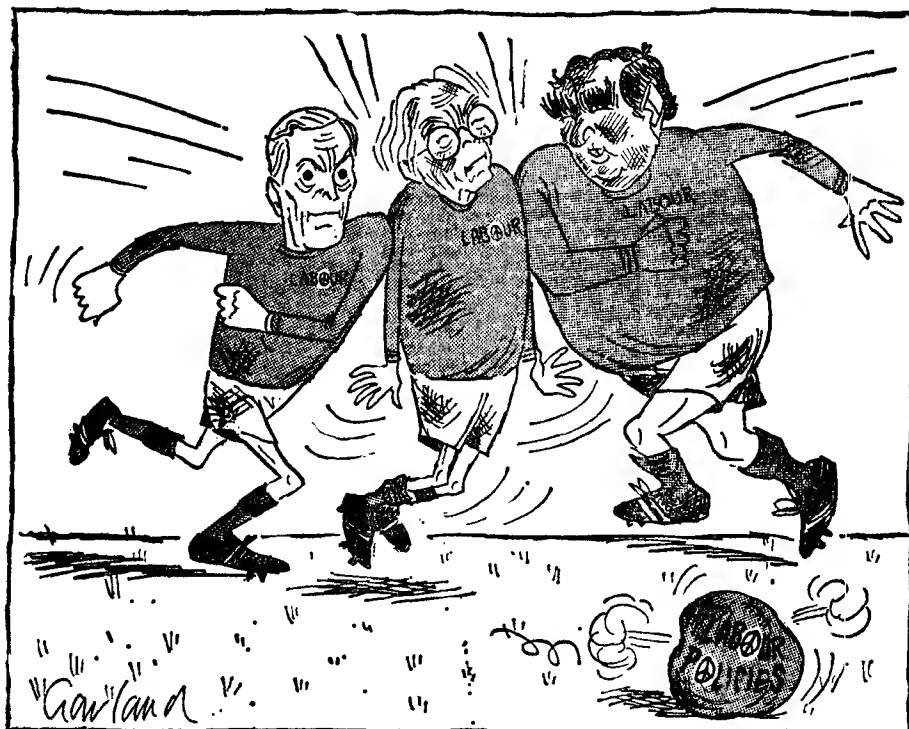
Union leaders, notably TUC General Secretary Len Murray, have used their power to shape Labor's domestic program. Pledges on economic policy in Labor's election manifesto are largely the product of union thinking. The union leadership has been less successful in its attempts to enforce a truce between party moderates and leftwingers; twice in recent months the TUC has ordered party-union conferences to patch together an agreement in order to present a credible front to the electorate.

Ironically, at a time when union power to influence Labor's policy is potentially greater than ever, the TUC lacks the commanding personalities who in the

<sup>2</sup> "Self-identified leftwingers" was defined as all those who said they supported the aims of the Tribune Group, a pressure group of MPs who for decades have been associated with the left wing of the Labor Party.

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*Michael Foot, caught between Healey on the right and Benn on the left.*



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past could deliver bloc votes at party conferences and impose moderate policies on a recalcitrant left. In addition, the current lines between leftists and moderates within the trade union movement are often hazy and depend on specific people and issues. Over the past year, the TUC has moved somewhat to the right with the election of Frank Chapple of the electricians union—he is an outspoken foe of Labor's left wing—as TUC Conference chairman and with the adoption of rules that lessen the power of small leftwing unions on the TUC's General Council. Any decisive swing to the right, however, is blocked by powerful leftwing unions like Arthur Scargill's miners union and the Transport and General Workers Union—Britain's largest, and for over 20 years a spearhead of support for unilateral nuclear disarmament. Moderate union leaders have to contend also with extensive leftwing activity among shop stewards and in local union branches, much as moderate Labor MPs are pressured by leftwing local organizations.

Since the left-right balance is close within many unions, support for moderate positions is undependable and union bloc votes can change with a shift of position by only two or three people in union governing bodies. At the Labor Party conference in 1982, for example, several contests that reinforced moderate control of the National Executive Committee were decided at the last minute and only when a railway union president apparently reneged on a deal with the miners. (Leftists forced the union president's resignation shortly after the conference.) Moderates have been struggling to recover ground in organizational struggles, but in recent party conferences the unions have supported leftwing policy views more massively than ever.

Even if moderates were to achieve the upper hand in all of the major unions, they probably would be preoccupied by the unions' internal problems. The

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unions are suffering from declining membership, high unemployment, and reduced funds. Moreover, a gulf has opened between the leadership and the rank and file. As opinion polls and the results of strike ballots demonstrate, many union members show less deference to leaders' wishes than they used to and most are considerably less committed than they were to the political baggage that goes with being a leftwing union activist. According to recent polls, union members also are finding traditional leftwing collectivism irrelevant to their economic plight and, therefore, are becoming indifferent to union and Labor Party politics. The decline in rank-and-file participation has made it difficult for moderate trade unionists to fend off challenges from activist minorities. This situation in turn adds to what we see as the essentially undemocratic nature of British trade unions, in which a small group of executives elected by a minority can control hundreds of thousands of bloc votes at TUC and Labor Party conferences.

The disenchantment of union voters hurts the Labor Party as a whole but offers promising prospects for leftwing union activists who can join with leftists in constituency party organizations to gain control of the parliamentary delegation. Although unions normally have sponsored between a fourth and a third of Labor candidates for Parliament, their activity and influence at local party levels have always been minimal. However, the new rules increasing the influence of local organizations makes them valuable prizes, and this has revived trade union interest in the constituency level. The natural alliance between leftwing union activists and party leftists prominent in many local organizations will probably enhance prospects for increased leftist influence in Labor's parliamentary delegations. There have already been some bitter contests between candidates sponsored by the moderate electricians unions and those supported by the leftwing miners unions.

#### **The Leadership Question**

Looming over the rules debates during the past few weeks has been the question of Michael Foot's continuation as leader of the Labor Party. Foot was elected in November 1980 as the man best equipped to keep the party together. Most Laborites believed his long-standing leftist convictions reflected accurately the new balance of power in the party, while wavering



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*Michael Foot, Leader of the Labor Party*

*Foot (69) is a leftwinger who in the past was often in trouble with moderate Labor leaders for his policy views, including his often bitter attacks on US foreign policy. He defeated Denis Healey for the party leadership in 1980, but has been unable to unite the party. Since becoming leader, Foot has often battled with leftists who were his strongest supporters in the leadership contest. Moderates still have hope that Foot's personal dislike of Tony Benn, and his fervent desire to unite the party and become prime minister, will lead him to join their effort to modify leftwing policy views. Foot, however, supports most of the left's policy prescriptions, particularly on unilateral nuclear disarmament. A former deputy party leader and Employment Secretary in the 1970s, Foot has always been heavily influenced by the views of trade union leaders and remains convinced that a Labor-union partnership is the best way to govern Britain. Foot has poor personal poll ratings when compared to Thatcher, but his friends point out that Labor leader Clement Attlee was far less popular than Winston Churchill in 1945, yet Labor went on to win an overwhelming election victory.*

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moderates thought his desire for unity was the best way to prevent the even more leftwing Tony Benn from capturing the leadership. Poor poll ratings both for the party and for Foot personally, Foot's inability to maintain unity—29 moderate MPs defected to the new Social Democratic Party—and a string of byelection defeats led to intense speculation in the press that he would have to resign before the next general election.

But Foot drew support from major trade union leaders and from leftists, including Benn. The trade union chiefs made it clear that they did not want a divisive succession struggle so close to the election. And leftwingers, so often a thorn in Foot's side despite his longstanding support for their cause, were concerned that moderate Deputy Party leader Denis Healey would succeed Foot pending a party conference. Rather than allow Healey to "usurp" the leadership, they called for unity behind Foot. Any lingering chance that Foot would be replaced as leader disappeared when Prime Minister Thatcher called the early election.

#### **Labor's Program—Domestic**

Labor's domestic program is leftist in orientation, although not markedly so by past standards. Even moderates can endorse the platform as a broad objective for a Labor government, although various party leaders have told US officials that they do not take all parts of the program seriously.

The program was worked out by the Labor Shadow Cabinet, the National Executive Committee, and a special liaison committee of party and trade union representatives. Party leader Foot and Shadow Chancellor Shore have stated that the party's major election theme will be fighting unemployment and restoring social spending cut by the Thatcher government. To that end, the party, in close consultation with the Trades Union Congress, has proposed steps to produce jobs and to shore up manufacturing. As an integral part of its economic program, Labor proposes to leave the European Community within 18 months of coming to power because only by "restoring full national independence can a Labor government embark on a



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**Denis Healey, Deputy Leader of the Labor Party and Shadow Foreign Secretary**

*Healey (65) is the most prominent member of Labor's moderate wing and the labor leader Thatcher fears most as an opponent. He has been deputy leader since 1980, and the party's foreign affairs spokesman since 1981. At one point following his defeat in the leadership contest in 1980 and narrow retention of the deputy leadership post in 1981, Healey appeared to despair of leading the Labor Party. In recent weeks, however, a US official reports that he has regained his enthusiasm. His chances are hurt by the swing of Labor's parliamentary delegation to the left and by the bitter feelings leftists and many trade union leaders continue to harbor because of his heavyhanded dealings with them at party conferences. Healey is a former Defense Secretary and Chancellor of the Exchequer and has considerable defense expertise. He supports conventional defense and says he wants to play down reliance on nuclear weapons. His revived leadership hopes have caused him to appease the left at least in public statements. Although he probably would try to ignore most leftwing views in office, he now appears ready to compromise with the left on arms issues if necessary. He has strongly attacked both Thatcher and Reagan on arms control matters and probably hopes demands for a "dual key" for INF and for inclusion of British nuclear forces in arms control negotiations will permit retention of nuclear weapons into the next decade.*

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domestic socialist policy necessary to promote economic growth." Labor's "Plan for Recovery" calls for:

- An immediate increase in spending of at least \$7 billion for public works jobs and for youth employment, and a broad multiyear \$43.5 billion public investment program to reduce unemployment to 1 million within five years.
- A devaluation of the pound by 30 percent over two years to promote exports, a reintroduction of foreign exchange controls, and imposition of import controls to protect British industry from "unfair" competition and to hold up wage rates.
- Steps to reverse the Thatcher government's denationalization of industry, especially of the British National Oil Company, and to increase the role of the state in managing the economy. Labor has called for a National Economic Assessment and for a centralized planning framework for production and trade.
- A renewal of the social contract adopted by the government and the unions in the mid-1970s. Because most unions reject any statutory incomes policy, however, such a "contract" would be based on cooperation and "common sense." As part of a deal with the unions for wage restraint, Labor is pledged to give them power to influence and participate in business decisions and to repeal all restrictions on trade union powers introduced by the Conservatives.

Labor proposes to reduce the remaining powers of the House of Lords as a step toward its eventual abolition and calls for a phaseout of private education and medical practice over several years. Labor also supports regional assemblies with financial and administrative powers for Scotland and Wales.

Moderates and leftists agree that the first priority of a Labor government would be to stimulate the economy, but they differ on the best approach. The two factions have fought over how quickly to phase out private education and medical practice, and Tony Benn's proposal to renationalize without compensation businesses sold off by the Tories was bitterly assailed by Foot. Most Laborites also decry union

opposition to any formal policy of wage restraint, and we expect that union leaders will hint at acceptance of such a policy as the election approaches.

We would expect a Labor government, under pressure from the party's left wing, to implement its domestic program, even though many party leaders doubt its efficacy. Many Laborites, for example, have told US officials that they think a full-blown reflationary and protectionist program is incompatible with Britain's international commitments. They also doubt that it could be put into effect without touching off a wage explosion and a collapse of the pound, renewed double digit inflation, and retaliation from the United Kingdom's trading partners. Even if such a disaster should come to pass, however, we believe that the leftists' commitment to the domestic program is such that they would oppose a pullback from most aspects of it unless the moderates were prepared to offer concessions on foreign policy, such as support for immediate unilateral nuclear disarmament.<sup>3</sup>

#### **Labor's Program—Foreign and Defense**

Labor's current position on foreign and defense issues dramatically reflects the change in the balance of power between leftists and moderates. Foreign and defense issues have polarized the party even more than domestic policy. Since 1945, moderate party leaders have usually been able to ignore leftwing foreign policy demands, notably that Britain give up its nuclear weapons. Since 1979, however, changes in party rules have enabled leftists to enforce their policy views on MPs. In addition, Michael Foot has backed the Campaign for Nuclear Disarmament for 20 years and continues to voice his support for its principles.

The last three party conferences endorsed unilateral nuclear disarmament, each time by a larger margin. In 1982, unilateralism was supported by two-thirds of

<sup>3</sup> One of the most famous examples of this sort of intraparty compromise came in 1967 when a sterling crisis forced drastic budget cuts. In order to win leftwing acceptance of reductions in social spending, the government was forced to accept equivalent cuts in defense. Thus, then Defense Secretary Healey announced the withdrawal of British forces from the Persian Gulf, leading an irate US official to exclaim, "Do you mean to tell me you're selling your imperial heritage to pay for false teeth and hearing aids"? Similar compromises between Labor's factions led to defense cuts in the mid-1970s.

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the voters, which theoretically ensures its inclusion in Labor's program. The program consists of general policy objectives of the Labor Party while the election manifesto sets out the policy of the next Labor government. According to the conference resolution, Labor:

- Supports cancellation of the Trident program.
- Rejects INF deployment in the United Kingdom and the rest of Western Europe.
- Favors a nuclear freeze and the closing of US nuclear bases in the United Kingdom.
- Supports the inclusion of British forces in arms control negotiations, ultimately leading to a phasing out of the Polaris program. Britain would, during the 4-to-5-year tenure of a Labor government, reject nuclear weapons in favor of a "nonnuclear defense strategy."

On other foreign policy matters, Labor continues to advocate withdrawal from the EC and cuts in defense spending while reaffirming support for NATO and for a conventional defense strategy. The party roundly criticizes US policy in the Third World, particularly in Latin America and southern Africa, and calls for a Labor government to improve relations with other socialist regimes. Finally, in another break with the past, Labor says it supports "eventual unity" between Northern Ireland and the Republic, so long as it can be brought about peacefully and by consent.

#### **Nuclear Disarmament**

Party leader Foot has said that he wants nuclear weapons questions to be a major part of the election campaign. With ground launched cruise missiles scheduled for deployment in December 1983, disarmament demonstrations moving into high gear at the Greenham Common INF site, and polls showing a majority of Britons opposed to INF and skeptical of US arms control policy, Labor leaders apparently believe they can exploit the public's fears of nuclear proliferation.<sup>4</sup> Leftists and moderates have shown

unity in calling for arms negotiations, attacking the expense of the Trident program at a time of cuts in social spending, calling for the British to include their own nuclear forces in arms talks (something we believe is a ploy by moderates to retain the Polaris force for as long as possible), and demanding rejection of INF or at least a "dual key" system that would place US nuclear weapons in the United Kingdom under the joint control of London and Washington. Additionally, Labor politicians of all stripes probably will attack the current US administration during the campaign, as Labor tries to take advantage of polls showing rising skepticism about US policy and as moderates attempt to protect themselves from the party left.

In the weeks after the party conference of 1982, Labor moderates told US officials that they hoped to tone down some of the foreign policy planks in the election manifesto, but thus far they have not had much success. Support for unilateral nuclear disarmament is strong among the Labor Party's rank-and-file members, and even some so-called moderates on the National Executive Committee are sympathetic to unilateralist arguments—the US Embassy reports that party officials say the manifesto will probably be accepted by 95 percent of the party. On nuclear weapons issues, therefore, movement away from the leftist program is unlikely.

Most disheartening from the standpoint of US interests is the position of Shadow Foreign Secretary and Deputy Party leader Denis Healey. Moderates have assured US officials that Healey, who once said he would not serve in a Labor government committed to unilateralism, would play a major role in formulating Labor's defense policy. Healey still has ambitions to lead the party, however, and he apparently has decided to appease the left by attacking US arms control policy, denouncing Trident, and denying he ever supported the NATO INF program. Healey has said also that he does not in principle oppose ending Polaris or closing US bases, so long as it is done by negotiation with Washington and with the United Kingdom's allies.

<sup>4</sup> Polls also show, however, that a 66-percent majority of the public, including a 55-percent majority of Labor voters, opposes unilateral nuclear disarmament.

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Healey's friends in the party argue that, despite this public stance, he is hoping to "keep Britain's nuclear options open"—specifically to retain Polaris as long as possible and to keep US nuclear bases in the United Kingdom. According to his supporters, Healey will use the argument that unilateral nuclear disarmament is a vote loser and exploit any leftist divisions about how far to go in forcing the issue. To prevent or delay implementation of leftist policies, he will also count on pressure from the United Kingdom's allies and on the transitory nature of the language in the manifesto, which says that nuclear renunciation will take place over the course of the four- to five-year life of a Labor government.

Leftwingers are aware that Healey's strategy is to have negotiations spun out over a period of years and have recently criticized the draft election manifesto because it does not call for immediate dismantling of British nuclear forces and does not unequivocally endorse closing US bases. Despite Healey's hopes, however, the Labor left is closer to its objective of unilateral nuclear disarmament than ever before.

#### **Withdrawal From the EC**

At party conferences sentiment for withdrawal from the EC is even stronger than support for unilateral nuclear disarmament. Moreover, public opinion on the EC issue is closer to the Labor Party's position than it is on the nuclear issue.<sup>5</sup>

Leftists have claimed for years that Labor must adopt an insular and nationalist foreign policy if it hopes to carry out a successful socialist policy at home. According to the leftists, a Labor government would have to shed the "trammels" of Community membership in order to revitalize the British economy. In 1975, pressure from the Labor left forced the Wilson government to hold an unprecedented referendum on EC membership, which pro-EC forces won. This time the party platform commits the United Kingdom to withdraw, which means that the election itself will be a referendum on the EC question.

Despite overwhelming endorsement of withdrawal at Trades Union Congress and Labor Party conferences, some union leaders have publicly admitted that withdrawal from the Community would do nothing to help

the British economy. A Trades Union Congress report early in 1982 stated that withdrawal would actually harm union interests and recommended that the TUC reverse its position—something the Congress refused to do. Labor leader Foot also seemed to back away from withdrawal in his public commentary, saying it would only be done in consultation with other socialist leaders in Western Europe.

Leftists reacted strongly to hints that there would be a retreat from the conference position, and Foot quickly repeated his promise to take Britain out of the EC. Earlier this year, the party's spokesman for European Community matters, Eric Heffer, produced an 18-month timetable for withdrawal. Given hostility to the Community from Labor's activists, trade unionists, and a large segment of the public, withdrawal from the Community remains a strong possibility and will probably be prominent in the election campaign—especially as long as the controversy over Britain's EC budget contribution remains unresolved.

Economic and political realities, however, could delay the 18-month timetable, particularly if union leaders and other European socialist politicians press Labor to reconsider and if the Community appears willing to accommodate British complaints on the budget and CAP reform. We believe leftist notions of substituting vague forms of "international socialist solidarity" or reviving stronger ties with the Commonwealth would quickly be seen as poor substitutes for the connection with Europe, as even a number of Laborites have admitted to US officials.

#### **Can Labor Win?**

We believe that Labor will face formidable obstacles to winning a majority in the House of Commons. Disputes between moderates and leftists, which have been muted, are likely to reemerge when prominent politicians are pressed during the campaign about the future policies of a Labor government. Other parties will in any event make a major issue of Labor's internal squabbling and will emphasize the threat of a leftist-dominated party in power. And because Michael Foot leads the party, the issue of weak and indecisive leadership will hurt Labor's chances.

<sup>5</sup> Polls over the past three years have consistently shown three out of five Britons in favor of withdrawal from the EC.

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Labor's prospects are also damaged by a long-term decline in its support, from almost 49 percent of the electorate in 1951 to less than 37 percent in 1979. Recent polls show Labor hovering at around 30 to 35 percent of the vote and the Tories between 45 and 50 percent—the highest level of support for the Conservatives since the 1979 election. In addition, parliamentary reapportionment will cost Labor some 20 seats.<sup>6</sup> One political writer described Labor's immediate dilemma—as opposed to the party's long-term problems—in trying to win the next election: because the election will be for an enlarged 650-seat House of Commons, the party would have to gain 100 new seats beyond the 237 currently held. A swing to Labor of this scale has occurred only once—in 1945—and there is little prospect for such a result in June. Recent byelections have shown a swing to Labor of only 1.5 percent, not nearly enough to win a national election.

Nevertheless, we do not believe that Labor can simply be written off. There is still a chance it will win a plurality of seats giving it a strong claim to form the next government. If this election parallels most previous contests, the 15- to 20-percent lead that the Tories currently enjoy will be reduced as voters boost the underdog party—partly to deprive the front-runner of too strong a majority, according to the Embassy. The Embassy also points to the advantage Labor should get from the addition of younger voters to the newly updated electoral register of Britain's 41 million voters. In addition, and probably most crucial to Labor's chances, any increase in support for the Social Democratic-Liberal Alliance probably will come at the expense of the Tories.

Despite a long term decline in Labor's vote, the party continues to benefit from Britain's system of single member "winner take all" constituencies. It also has a solid core of support—roughly 30 percent of the electorate—concentrated in the older urban, industrial areas in Scotland, Wales, and the northeast of England which give it a base of close to 200 seats. Oxford political scientist Daniel Butler told US Embassy officers in early May that with Labor starting

from this base he could make a good case for the prospect of a hung Parliament—no party wins a majority. Butler pointed to the uneven demography of the electorate, which, according to his calculations, means that the Tories would shed seats rather quickly if they drop toward 40 percent of the vote. He thinks the Tories would lose seats twice as fast as Labor would under similar circumstances. Butler's case for such a Tory decline, however, rests heavily on a surge in Alliance support to about 30 percent, a prospect we now believe unlikely. The Alliance began the election campaign by shrinking to below 20-percent support in the polls.

We believe that the most likely outcome on 9 June will be for Labor to return to opposition. Thatcher's current lead in the polls is bolstered by her image of decisive leadership and a perception by the electorate that the economic situation is getting better. If Labor manages to effectively exploit issues such as unemployment and if the Alliance regains sufficient momentum to capture a significant share of the vote, Labor might gain a plurality of seats in Parliament. Only a major change in voter preference—for reasons not now apparent—could produce a Labor majority.

#### **What Labor Would Do**

***Labor Again in Opposition.*** Labor once again in opposition would be plunged into disputes between leftists and moderates, with each side blaming the other for election defeat. Foot probably would be replaced by someone union leaders believed could hold the party together and conduct a vigorous opposition.

Labor probably would try to balance a moderate with a leftwinger in the leadership and deputy leadership positions, according to US Embassy reporting. The most widely bruited combination is Denis Healey as leader and leftist Neil Kinnock (a rising star in the party) as deputy. Should Healey's enemies on the left prove adamant, we believe either Shadow Chancellor of the Exchequer Peter Shore or, less likely, Shadow Defense Secretary John Silken (both more acceptable to the left) might become leader. In this case, moderate Roy Hattersley, who like Kinnock is ambitious to lead Labor in the future, would be a strong candidate for deputy leader.

<sup>6</sup> According to most studies, the decline in Labor's vote has been caused by a drop in the number of working-class voters and a general 20-year decay in loyalties to the two major parties. Labor is also suffering from a steady drop in the number of people who support Labor's traditional policies of nationalization and redistribution of income.

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**Peter Shore, Shadow Chancellor of the Exchequer**

*A pragmatic, articulate, and intelligent party leader, Shore (58) is popular with his colleagues. He is considered by many as a probable successor to Foot. He often meets with US officials and acknowledges the importance of the special relationship. He supports NATO, opposes unilateral nuclear disarmament, and is described by colleagues as a staunch English patriot. Pressure to cut defense spending, however, and his ambition will probably convince him to go along with a Labor consensus on defense. He has limited foreign policy experience as Labor's Shadow Foreign Secretary in 1979-80. Sharply critical of continued British membership in the EC, Shore has called the decision to join the Community "the biggest single error of national policy in the postwar period." Some observers believe his opposition to EC membership and subsequent "little England" image have given him more of a leftwing reputation than he deserves. He is a vocal critic of Prime Minister Thatcher's economic policies and advocates an economic strategy that cuts interest rates and increases government spending. He has also supported selective import controls. Failure of the unions to accept his proposals for an incomes policy and perceptions that his economic plan lacks credibility have hurt him.*

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**John Silken, Shadow Defense Secretary**

*Silken (60), Labor's defense spokesman, is another man anxious to lead the party. He entered the deputy leadership contest in 1981 in the hope of emerging as a compromise choice between Healey and Benn or, at least, of preventing Benn from winning by drawing leftwing votes away from him. Silken probably sees himself as a man who can obtain leftist support once Benn is no longer a candidate, while remaining acceptable to trade union leaders and moderates. He is in the process of trying to obtain control of Tribune, the Labor left's newspaper. Silken was not enthusiastic about becoming defense spokesman and relies heavily on aides for expert advice. He is critical of US arms control policy, supports unilateral nuclear disarmament, and claims ending nuclear programs will free funds for conventional forces. Silken also supports withdrawal from the EC and alienated many of his European colleagues when he was Agriculture Secretary in the late 1970s. Silken is widely regarded by both moderates and leftwingers as a political opportunist, mainly concerned with advancing his own career.*

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**Neil Kinnock, Shadow Education Secretary**

*A Labor MP from Wales, Kinnock (41) has been the party's education and science spokesman since June 1979. British newspapers have called him a fast-rising star in the party and a potential future leader. Kinnock, who was Parliamentary Private Secretary to Labor leader Foot when Foot was Employment Secretary in 1974-75, was elected to the party's National Executive Committee in 1978 and has been reelected each year at the party conference by a larger margin. He is a member of the Tribune Group, a formal caucus of leftwing MPs, but is often described as a leader of the "soft left," that group willing to compromise on some issues in the interests of party unity and electoral credibility. He was among the handful of MPs on the NEC whose votes cost Tony Benn the deputy leadership in 1981, an action that has earned Kinnock many enemies on the "hard left" but solidified his position with moderates. Any success in the effort to forestall or delay implementation of leftist policies on nuclear weapons or withdrawal from the EC would have to depend on moderates reaching an agreement with Kinnock and his supporters.*



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**Roy Hattersley, Shadow Home Secretary**

*Hattersley (50) is generally regarded as the most prominent Labor moderate after Denis Healey and as the moderates' future hope to lead the Labor Party and return it to a center-left course. Hattersley opposes unilateral nuclear disarmament and withdrawal from the EC; he has also supported close relations with the United States in foreign and defense matters. Hattersley enhanced his standing within the party and the trade union by loyally defending Labor policies even when he disagreed with them and by refusing to defect to the Social Democrats despite his past association with SDP leader Roy Jenkins. Hattersley's position as Home Secretary may hurt his prospects with voters because he could be tied to unpopular perceptions of Labor as "soft" on law and order and on nonwhite immigration. Hattersley will be a key figure in any efforts to short-circuit leftwing foreign and defense policies should Labor return to power.*



Whoever the leader might be, we believe the left wing would be better placed than the moderates to pick up the pieces. The influence of activists usually increases when Labor is not responsible for government and can more conveniently indulge in ideological fancy. In addition, the rules changes won by the left over the past several years will contribute to a continuing leftward pull.

Should Labor win a plurality and still be kept in opposition, leftists are likely to complain of unfair treatment and even charge a "ruling class conspiracy" to keep Labor from power. Some leftwingers may even become more willing to support mass protest actions. A more tangible danger is the prospect that Labor will remain predominant in Scotland and Wales no matter what the result in the United Kingdom as a whole. In this event, the regional Labor parties would be inclined to demand "home rule" in an effort to fend off defections to local nationalist parties and to find an identity for Labor apart from a futile opposition at Westminster.

Because all those dissatisfied with government policies would tend to gravitate to Labor's camp, the party probably would benefit, at least initially, from being the main opposition force. This would be especially likely if the Social Democrats and Liberals cooperated with the Conservatives. On the other hand, left-right disputes would strain party unity, and if the Alliance made a respectable election showing and could plausibly claim to represent the alternative to the Tories, more Labor moderates might defect. In these circumstances, Labor might become a small leftwing party, displaced by the SPD-Liberal Alliance as the main opposition to the Conservative Party.

**Minority Government.** We believe the second most likely outcome for Labor—although the prospects at this time for any sort of Labor victory appear weak—is to lead a minority government. Labor's chances depend less on its own popularity than on the ability of the Social Democratic-Liberal Alliance to take seats from the Tories. If Labor does form a minority government, we expect it would embark on its domestic program as if it had a majority. Labor followed this course from February to October 1974, when it was without a parliamentary majority. A Labor prime

minister in such circumstances would probably conclude that efforts to reduce unemployment and increase social spending would bolster Labor's electoral appeal, and count on the reluctance of third parties, notably the Social Democrats and Liberals, to risk another election by bringing down the government.

A minority government would be less likely to implement the left's foreign and defense policy program. Some parts of it—withdrawal from the EC, opposition to INF, and ending Britain's own nuclear program—are strongly opposed by Conservatives and the Alliance. Labor moderates, following the precedent when Labor had only a small or no majority, would use this tenuous parliamentary situation as a reason to delay embarking on any ambitious and controversial program and would instead emphasize domestic concerns, where bargaining for support from third parties might be possible. Given the left's strong views on nuclear weapons and its stronger bargaining position within the party, however, such an approach would be divisive and could lead to the government's fall.

**Cooperation With the Social Democrats and Liberals.** Labor will enter the election pledged not to join in a coalition with the Social Democratic-Liberal Alliance and there are severe obstacles to such cooperation. According to US Embassy reporting, many Labor and union moderates remain bitter at being "deserted" by their former colleagues who set up the Social Democratic Party in 1981. For their part, leftwing Laborites would see any such cooperation as part of a moderate plot to keep their plans from fruition. Finally, Alliance spokesmen have said that adoption of proportional representation will be a condition for their support of one of the major parties. Because Labor's national vote has been declining for the past 30 years, however, the party has more to lose from changing the British electoral rules than the Tories, and this has led most Laborites and union leaders to reject Alliance plans for electoral reform.

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Nevertheless, trade union leaders, who are eager to remove the Tories from office, could insist that Labor attempt cooperation with the Alliance. Rather than form a Labor-Alliance coalition, however, Labor would probably try to negotiate Alliance support in exchange for some policy concessions. Policy differences between moderate Laborites and the Alliance on most domestic issues are more of degree than of kind, although Alliance demands for proportional representation and Liberal insistence on limiting trade union powers would be difficult to overcome. In the background of any agreement probably would be the moderate Laborites' hope of enticing the Social Democrats back into the Labor fold, while the Alliance would be likely to hope for just the opposite—by supporting the moderates in the Labor Party against the leftwingers, the Alliance would hope to split Labor ranks and welcome the moderates into its own camp.

Although the prospects for a Labor-Alliance government are slim, we believe such a combination, however uneasy, would be the Labor government scenario most favorable to US interests. Labor moderates and Alliance spokesmen would adopt an economic policy akin to that followed by past Labor administrations. The Social Democrats and Liberals also would oppose any extensive move toward protectionism and a Labor-Alliance combination would keep Britain in the EC or insist on a referendum on the issue. Relations with the United States would be better than under a government of Labor alone, but there could be problems over nuclear weapons and Third World issues. Given the strong unilateralist sentiment in the Liberal Party, Labor leftists could find uncharacteristic allies. In our judgment, Trident would almost certainly be canceled and Polaris might be phased out, though probably only over a period of years. US bases in the United Kingdom would remain, and we believe there is a chance that INF could proceed—although conditioned on a formal “dual key” arrangement and a major emphasis on arms control negotiations.

**Majority Government.** We believe that the least likely prospect for Labor is to win an absolute majority because such an outcome would hinge on a swing of voter support unprecedented since the end of World War II. A Labor majority government would represent the greatest threat to US interests for two

reasons. First, given the new party rules pushing the parliamentary delegation to the left, the number of leftwingers will be larger the better Labor does in a general election. Second, long-honored traditions—the “doctrine of the mandate” and the “sovereignty of Parliament”—provide that a party winning a majority has a mandate from the voters to carry out its program in full, even if its popular vote (as is almost always the case in British elections) falls well short of a majority. Thatcher, for example, carried out her programs even though the Tories received less than 44 percent of the popular vote in 1979.

In implementing its domestic program, a majority Labor government, in our view, would give priority to reducing unemployment. In foreign and defense policy, moderates (who would still make up a majority of MPs and the Cabinet) probably would attempt to delay ending British nuclear programs, relying primarily on the platform wording about phasing out such programs over four to five years. Given activist pressure and apparent voter endorsement, however, a Labor government would almost certainly embark on a “nonnuclear defense” program, including cancellation of Trident and rejection of INF. We would also expect a majority Labor government to set at least a timetable for withdrawal from the EC.

The special relationship with the United States would also be strained. Differences on foreign and domestic policy are numerous, and the Labor left has for decades expressed suspicions about US policy and the US presence in Britain. Even moderates like Healey have been forced to ape anti-American rhetoric.

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However, the US-UK relationship would be under much closer scrutiny by leftwing politicians, and the tone of relations would be harsh at times as differences emerged on various issues.

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